



Employment Brief

Making Self-Employment Work for People with Disabilities

National Technical Assistance Center

www.ntac.hawaii.edu

Tel: (808)956-3648

Fax: (808)956-5713

Tty: (808)956-2890

Mission:

To increase employment opportunities for Asian Americans and Pacific Islanders with disabilities nationwide.

Based at:

University of Hawaii at Manoa, Center on Disability Studies

In collaboration with:

Hawaii Centers for Independent Living

Hawaii Vocational Rehabilitation and Services for the Blind Division

Funded by:

U.S. Department of Education
Rehabilitation Services Administration

The purpose of this brief is to provide information and resources for people with disabilities to help them consider self-employment as a career option. It is adapted from: "Making Self-Employment Work For People with Disabilities" by David Hammis and Cary Griffin.

Introduction

When starting a small business in Hawaii, going into debt is simply not an option for many people with disabilities. The Hawaii Small Business Development Center can help find financing, but rates on these high-risk loans can be high, and there are very few state or federal grant programs that give money to individuals. Consequently, if you plan to start a small business you should plan to rely on personal savings, loans from family members, or micro-enterprise loans. In addition, for people with disabilities, there are various financial resources and work incentive programs available. Blending these funds is the best approach. The following is a list of questions and answers designed to assist entrepreneurs with disabilities in Hawaii to get started:

1. What types of assessments are best to determine if someone is right for self-employment?

Self-directed employment advocates don't believe in assessments as an accurate means of predicting someone's suitability for business ownership. There is no existing data that justifies such expensive time-wasting activities. Assistance not assessment! Formal paper and pencil tests, vocational evaluations, and assessments that measure interests, vocational skills and traits or that suggest predictive validity in certain careers through psychometrics are not particularly useful in self-employment. Person-centered evaluative approaches to identifying unique gifts, talents, learning styles, hopes and dreams, financial opportunities through Social Security benefits, family support, and other individualized inventories work best.

2. If a person cannot read or write, how can they possibly be expected to operate a profitable business?

Operating a small business is a matter of degree. Many small business owners perform all or most of the necessary functions, but many do not. Writing a business plan, for example, is outside the expertise of many entrepreneurs. Small Business Development Centers and a host of business consultants exist to assist in such areas. Literacy is not

a prerequisite for business ownership. Determination to succeed, inventiveness and creative support from business partners and employees is far more important. For instance, if a business owner cannot write but must complete invoices at the point of product sale, a touch screen computer at the sales desk could use a graphical interface to guide the owner (or customer), or an employee, or business partner, could manage these tasks.

3. How long should professionals support someone as a small business owner?

Many systems are time limited such as schools, Work Force Investment programs, and Vocational Rehabilitation programs. Using these services should be done “planfully” with necessary long-term supports being accommodated through the business design, through purchase of business services paid from sales, or through extended services available from state General Fund and/or Medicaid Waiver dollars used by Developmental Disability and Mental Health programs throughout the country.

4. How much does a small business cost?

Start-up costs for small business are as wide ranging as business ideas. Many micro-enterprises start with little or no money and grow over time. Most small business in the United States cost less than \$10,000, and recent examples of businesses owned by people with disabilities show costs averaging approximately \$5000. On-going support costs vary depending on the person and their disability, but these supports (e.g. transportation, medications, instructional assistance) would typically be necessary whether a business was started or not.

5. How does someone finance a small business?

There are a host of revenue sources available. As traditional developmental disability and mental health services funds become more and more individualized or “portable,” personal budgeting and control of individual rehabilitation and treatment money grows. In the near future, due to changes in state and federal policies, disability funds may be more controlled by the individual with the disability, and many people will be able to redirect their money away from traditional agencies and into their own control through fiscal intermediaries or families. For example, in the near future, a person with disability who generates \$12,000 per year in state funding that currently goes to a sheltered workshop may be able to redirect those monies directly into a personal plan for a job or business, and draw on those funds, just as the adult service provider would, for as long as needed.

6. How long can we expect a small business to last?

The life expectancy of small businesses varies considerably. Most businesses change over time, adapting to market changes, customer preferences, the health of the owner, and/or in the presence of other opportunities. Many small business owners take on new products, move to different locations, or sell out and use the profits to start new ventures. Consequently, longevity is largely a function of the business model and the owner’s plans or opportunities.

7. Should families be involved in the small business?

Family support is evident in many small businesses. This is a most critical natural support and is traditional in America and across the globe.

8. How small a business is too small?

A business should generate revenue for the owner and employees, if any. Typically businesses grow in

stages, as do profits. A careful approach should be used to generate enough money to live on, while guaranteeing the safety net of various benefits systems such as Social Security and subsidized housing until such time as these resources are no longer required. Individuals facing unemployment or sheltered employment almost always earn more money in their businesses than the national average earned through sheltered work.

9. Can a business possibly sustain interruptions caused when a person is medically fragile or requires numerous break periods for medical and therapeutic treatments?

A small business naturally accommodates a host of personal needs. Some business owners close on Wednesday afternoon to allow for golf games, others close Wednesday afternoons for physical therapy. However, a business with limited hours of operation may suffer significant financial setbacks, so having an employee or business partner who can carry on in one's absence is a wise strategy.

10. Entrepreneurs are known to work 100 hours a week from sales to bookkeeping. How is my child going to know how to do all this coming out of a special education resource classroom?

Many business owners work long, hard hours; many do not. Profitable businesses allow owners to hire others to do much of the work, and most small businesses, in reality, do not take 100 hours a week to operate. Still, the work can be challenging. Starting a part-time, or after school business may be a worthwhile family activity that counteracts low expectations commonly afforded children with high support needs.

11. How can a business survive rural Hawaii communities?

Despite the folklore, rural communities are rich in opportunity. People still buy goods and services locally, and products produced in rural areas can often be sold in more populated communities. The challenge remains one of matching a person's dreams and talents to a marketable idea. Taking a person-centered approach leverages the skills and passions of the individual and matches it to community needs. The person, and not the market, however, always comes first in order to ensure commitment to the process. There are always unmet needs and uncompleted work in all communities. Matching a person who can do the work with the needs of the customers is the challenge that is proving successful in rural communities worldwide.

12. Why not go to the sheltered workshop first and learn work and social skills?

Using a sheltered workshop to teach valued work and social skills might be like using an Ouija Board to improve team communication, to paraphrase management consultant Don Blohoiak. Segregated settings, especially community monuments such as workshops, stigmatize people with disabilities and make them stand out as different and incompetent. These facilities, and any other segregated models be they recreational or educational, interrupt the natural flow of personal interaction and activity common in communities. Learning valued work and social skills occurs only in typical environments.

13. Many students and adults with disabilities appear unmotivated by money. How can we expect them to run a business?

Many students and adults with significant disabilities have not been exposed to family or professional expectations of career success. Transition aged students, if they receive any inclusive vocational training, are often exposed to entry-level jobs through unpaid work experience. Unpaid work experience can be especially helpful to students, families, and educators in discovering

individual talents and passions. However, unpaid work can be somewhat unnatural and de-motivating if these are the only opportunities offered. Most youth who have paper routes, flip burgers at McDonald's, baby-sit, or mow lawns expect to be paid and draw a critical connection between effort and reward. Eliminating pay is counterproductive. Furthermore, earnings in sheltered workshops average much less than a dollar per hour, effectively breaking any logical connection between work and financial reward. Creating opportunities to use personal talents, to explore various work environments, and to learn the connection between effort and pay is essential for all people.

14. The business community, and business-related agencies such as SBDCs, are not always welcoming to people with disabilities. How can we get them to help?

While most business development professionals have little exposure to individuals with disabilities, they are obligated by law to assist, if publicly funded, and are generally welcoming. Approaching any person for assistance necessitates an educational process. Come in with some ideas, but do not expect full-service from an SBDC, TBIC or other program as they are under-funded and overworked. However, they are willing partners and are generally excited by the opportunity to start a new venture. Our relationships to date with many SBDCs have been outstanding! Check the Small Business Administration's (SBA) web site (www.sba.gov) to locate consultation services nearby.

15. What resources are available to people with disabilities starting up new businesses?

- Social Security Work Incentives such as Plans for Achieving Self Support. Consult the "Red Book" by Social Security Administration: <http://www.ssa.gov/work/ResourcesToolkit/redbook.pdf>
- For assistance with a PASS or a Benefits Analysis, contact your local Benefits Planning Assistance & Outreach (BPAO) office. You can find a listing of their offices by following the links provided at <http://www.vcu-barc.org>
- Along with SSA Work Incentives, Vocational Rehabilitation (VR) offices can and do fund self-employment. Set up a meeting with a counselor to discuss your ideas and the support you need. Ask for VR guidelines for self-employment.
- Department of Health Developmental Disability and Mental Health Centers can assist enrolled customers through state general funds and in some instance, Medicaid dollars.
- Department of Education can use their Special Education funding to support student-owned businesses that teach valuable work skills and that incubate a business idea so that upon graduation the student is not left unemployed.
- Worklinks One-Stop Center can also fund self-employment using Intensive Services money provided under the Workforce Investment Act of 1998. Most of these funds can be combined to support business ventures.
- Putting Creativity to Work: Careers in the Arts for People with Disabilities. Whether you are a visual, literary or performing artist with a disability this publication provides valuable information to help you pursue a career that is creative and challenging. Career development, vocational rehabilitation, and special education professionals will also find this to be an indispensable resource as they assist artists with disabilities in pursuing viable career options in the arts: <http://www.vsarts.org/resources/artistresources/careerguide/index.cfm>

